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BlackRock Investment Management, LLC,
BlackRock Advisors, LLC and
BlackRock International Limited*

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

In re BLACKROCK MUTUAL FUNDS
ADVISORY FEE LITIGATION

Civil Action No. 3:14-cv-1165-JAP-DEA

**ANSWER AND AFFIRMATIVE
DEFENSE**

Defendants BlackRock Investment Management, LLC, with offices at 1 University Square Drive, Princeton, New Jersey, BlackRock Advisors, LLC ("BRA"), with offices at 1 University Square Drive, Princeton, New Jersey, and BlackRock International Limited, with offices at 40 Torphichen Street, Edinburgh, United Kingdom (collectively, "Defendants"), through their undersigned counsel, answer the Consolidated Complaint in this action (the "Complaint") as follows:

1. Deny the allegations of Paragraph 1 of the Complaint.
2. Deny the allegations of Paragraph 2 of the Complaint, except admit the allegations to the extent they pertain to BRA.
3. Deny the allegations of Paragraph 3 of the Complaint and state they are conclusions of law to which no response is required.
4. Deny the allegations of Paragraph 4 of the Complaint.

5. Deny the allegations of Paragraph 5 of the Complaint.
6. Deny the allegations of Paragraph 6 of the Complaint.
7. Deny the allegations of Paragraph 7 of the Complaint.
8. Deny the allegations of Paragraph 8 of the Complaint.
9. Deny the allegations of Paragraph 9 of the Complaint.
10. Deny the allegations of Paragraph 10 of the Complaint.
11. Deny the allegations of Paragraph 11 of the Complaint.
12. Deny the allegations of Paragraph 12 of the Complaint and state they are conclusions of law to which no response is required.
13. Admit the allegations of Paragraph 13 of the Complaint.
14. Admit the allegations of Paragraph 14 of the Complaint.
15. Lack knowledge or information sufficient to form a belief about the truth of the allegations of Paragraph 15 of the Complaint.
16. Lack knowledge or information sufficient to form a belief about the truth of the allegations of Paragraph 16 of the Complaint.
17. Lack knowledge or information sufficient to form a belief about the truth of the allegations of Paragraph 17 of the Complaint.
18. Lack knowledge or information sufficient to form a belief about the truth of the allegations of Paragraph 18 of the Complaint.
19. Admit the allegations of Paragraph 19 of the Complaint.
20. Admit the allegations of Paragraph 20 of the Complaint.
21. Admit the allegations of Paragraph 21 of the Complaint.
22. Admit the allegations of Paragraph 22 of the Complaint.

23. Admit the allegations of Paragraph 23 of the Complaint.
24. Admit the allegations of Paragraph 24 of the Complaint.
25. Deny the allegations of Paragraph 25 of the Complaint, except lack knowledge or information sufficient to form a belief about the truth of the allegations regarding other mutual funds.
26. Admit the allegations of Paragraph 26 of the Complaint.
27. Deny the allegations of Paragraph 27 of the Complaint, except lack knowledge or information sufficient to form a belief about the truth of the allegations regarding most other mutual funds.
28. Deny the allegations of Paragraph 28 of the Complaint.
29. Admit the allegations of Paragraph 29 of the Complaint.
30. Admit the allegations of Paragraph 30 of the Complaint and respectfully refer the Court to Exhibits J and N hereto for additional information regarding the directors of the Funds.
31. Deny the allegations of Paragraph 31 of the Complaint.
32. Deny the allegations of Paragraph 32 of the Complaint.
33. Deny the allegations of Paragraph 33 of the Complaint and respectfully refer the Court to the agreements attached as Exhibits A, B and C hereto.
34. Deny the allegations of Paragraph 34 of the Complaint.
35. Deny the allegations of Paragraph 35 of the Complaint and respectfully refer the Court to the agreements attached as Exhibits D and E hereto.
36. Deny the allegations of Paragraph 36 of the Complaint and respectfully refer the Court to the agreements attached as Exhibits A and C hereto.

37. Deny the allegations of Paragraph 37 of the Complaint and respectfully refer the Court to the agreements attached as Exhibits A and C hereto.

38. Deny the allegations of Paragraph 38 of the Complaint and respectfully refer the Court to the Funds' prospectuses for the complete and accurate contents thereof.

39. Deny the allegations of Paragraph 39 of the Complaint and respectfully refer the Court to the prospectus for the complete and accurate contents thereof.

40. Admit the allegations of Paragraph 40 of the Complaint.

41. Admit the allegations of Paragraph 41 of the Complaint.

42. Deny the allegations of Paragraph 42 of the Complaint and respectfully refer the Court to the prospectus for the complete and accurate contents thereof.

43. Admit the allegations of Paragraph 43 of the Complaint.

44. Admit the allegations of Paragraph 44 of the Complaint.

45. Admit the allegations of Paragraph 45 of the Complaint.

46. Deny the allegations of Paragraph 46 of the Complaint.

47. Deny the allegations of Paragraph 47 of the Complaint and respectfully refer the Court to the IMAs for the complete and accurate contents thereof.

48. Admit the allegations of Paragraph 48 of the Complaint.

49. Deny the allegations of Paragraph 49 of the Complaint.

50. Deny the allegations of Paragraph 50 of the Complaint.

51. Deny the allegations of Paragraph 51 of the Complaint, except admit the allegations of the first sentence of that paragraph.

52. Admit the allegations of Paragraph 52 of the Complaint.

53. Deny the allegations of Paragraph 53 of the Complaint.

54. Admit the allegations of Paragraph 54 of the Complaint.

55. Admit the allegations of Paragraph 55 of the Complaint.

56. Admit the allegations of Paragraph 56 of the Complaint.

57. Deny the allegations of Paragraph 57 of the Complaint, except admit that BRIM is sub-adviser to the Subadvised Funds.

58. Lack knowledge or information sufficient to form a belief about the truth of the allegations of Paragraph 58 of the Complaint.

59. Admit the allegations of Paragraph 59 of the Complaint

60. Admit the allegations of Paragraph 60 of the Complaint.

61. Admit the allegations of Paragraph 61 of the Complaint.

62. Deny the allegations of Paragraph 62 of the Complaint, except admit the allegations of the second sentence of that paragraph.

63. Admit the allegations of Paragraph 63 of the Complaint.

64. Admit the allegations of Paragraph 64 of the Complaint.

65. Deny the allegations of Paragraph 65 of the Complaint.

66. Deny the allegations of Paragraph 66 of the Complaint.

67. Deny the allegations of Paragraph 67 of the Complaint.

68. Deny the allegations of Paragraph 68 of the Complaint and respectfully refer the Court to the prospectus for the complete and accurate contents thereof.

69. Admit the allegations of Paragraph 69 of the Complaint.

70. Admit the allegations of Paragraph 70 of the Complaint.

71. Deny the allegations of Paragraph 71 of the Complaint and respectfully refer the Court to the prospectus for the complete and accurate contents thereof.

72. Admit the allegations of Paragraph 72 of the Complaint.

73. Admit the allegations of Paragraph 73 of the Complaint.

74. Admit the allegations of Paragraph 74 of the Complaint.

75. Deny the allegations of Paragraph 75 of the Complaint.

76. Deny the allegations of Paragraph 76 of the Complaint.

77. Deny the allegations of Paragraph 77 of the Complaint.

78. Deny the allegations of Paragraph 78 of the Complaint.

79. Deny the allegations of Paragraph 79 of the Complaint.

80. Deny the allegations of Paragraph 80 of the Complaint.

81. Deny the allegations of Paragraph 81 of the Complaint.

82. Deny the allegations of Paragraph 82 of the Complaint and respectfully refer the Court to the agreements attached as Exhibits A, D, F, G and H hereto.

83. Deny the allegations of Paragraph 83 of the Complaint.

84. Deny the allegations of Paragraph 84 of the Complaint.

85. Deny the allegations of Paragraph 85 of the Complaint and respectfully refer the Court to the agreements attached as Exhibits A, D, F, G and H hereto.

86. Deny the allegations of Paragraph 86 of the Complaint and respectfully refer the Court to the agreements attached as Exhibits A, D, F, G and H hereto.

87. Deny the allegations of Paragraph 87 of the Complaint, except admit that the Funds paid BRA the amounts set forth in Paragraph 87 for accounting services and respectfully refer the Court to the agreements attached as Exhibits A, D, F, G and H hereto.

88. Deny the allegations of Paragraph 88 of the Complaint and respectfully refer the Court to the agreements attached as Exhibits A, D, F, G and H hereto.

89. Deny the allegations of Paragraph 89 of the Complaint and respectfully refer the Court to the agreements attached as Exhibits A, D, F, G and H hereto.

90. Deny the allegations of Paragraph 90 of the Complaint and respectfully refer the Court to the agreements attached as Exhibits A, D, F, G and H hereto.

91. Deny the allegations of Paragraph 91 of the Complaint and respectfully refer the Court to the agreements attached as Exhibits A, D, F, G and H hereto.

92. Admit the allegations of Paragraph 92 of the Complaint.

93. Deny the allegations of Paragraph 93 of the Complaint.

94. Admit the allegations of Paragraph 94 of the Complaint.

95. Deny the allegations of Paragraph 95 of the Complaint.

96. Deny the allegations of Paragraph 96 of the Complaint.

97. Deny the allegations of Paragraph 97 of the Complaint.

98. Deny the allegations of Paragraph 98 of the Complaint.

99. Deny the allegations of Paragraph 99 of the Complaint.

100. Lack knowledge or information sufficient to form a belief about the truth of the allegations of Paragraph 100 of the Complaint.

101. Lack knowledge or information sufficient to form a belief about the truth of the allegations of Paragraph 101 of the Complaint.

102. Deny the allegations of Paragraph 102 of the Complaint.

103. Deny the allegations of Paragraph 103 of the Complaint.

104. Deny the allegations of Paragraph 104 of the Complaint.

105. Deny the allegations of Paragraph 105 of the Complaint.

106. Deny the allegations of Paragraph 106 of the Complaint.

107. Deny the allegations of Paragraph 107 of the Complaint.
108. Deny the allegations of Paragraph 108 of the Complaint.
109. Deny the allegations of Paragraph 109 of the Complaint.
110. Deny the allegations of Paragraph 110 of the Complaint.
111. Deny the allegations of Paragraph 111 of the Complaint.
112. Deny the allegations of Paragraph 112 of the Complaint.
113. Deny the allegations of Paragraph 113 of the Complaint.
114. Deny the allegations of Paragraph 114 of the Complaint.
115. Deny the allegations of Paragraph 115 of the Complaint.
116. Deny the allegations of Paragraph 116 of the Complaint.
117. Deny the allegations of Paragraph 117 of the Complaint.
118. Deny the allegations of Paragraph 118 of the Complaint.
119. Deny the allegations of Paragraph 119 of the Complaint.
120. Deny the allegations of Paragraph 120 of the Complaint.
121. Deny the allegations of Paragraph 121 of the Complaint.
122. Deny the allegations of Paragraph 122 of the Complaint.
123. Deny the allegations of Paragraph 123 of the Complaint.
124. Admit the allegations of Paragraph 124 of the Complaint.
125. Deny the allegations of Paragraph 125 of the Complaint.
126. Deny the allegations of Paragraph 126 of the Complaint.
127. Deny the allegations of Paragraph 127 of the Complaint.
128. Deny the allegations of Paragraph 128 of the Complaint.
129. Admit the allegations of Paragraph 129 of the Complaint.

130. Admit the allegations of Paragraph 130 of the Complaint.

131. Deny the allegations of Paragraph 131 of the Complaint.

132. Deny the allegations of Paragraph 132 of the Complaint.

133. Deny the allegations of Paragraph 133 of the Complaint.

134. Admit the allegations of Paragraph 134 of the Complaint.

135. Lack knowledge or information sufficient to form a belief about the truth of the allegations of Paragraph 135 of the Complaint.

136. Lack knowledge or information sufficient to form a belief about the truth of the allegations of Paragraph 136 of the Complaint.

137. Lack knowledge or information sufficient to form a belief about the truth of the allegations of Paragraph 137 of the Complaint.

138. Deny the allegations of Paragraph 138 of the Complaint, except admit the allegations of the first sentence of that paragraph.

139. Deny the allegations of Paragraph 139 of the Complaint.

140. Deny the allegations of Paragraph 140 of the Complaint.

141. In response to the allegations of Paragraph 141 of the Complaint, Defendants repeat and incorporate by reference all of the foregoing paragraphs of the Answer as if fully set forth herein.

142. Deny the allegations of Paragraph 142 of the Complaint.

143. Deny the allegations of Paragraph 143 of the Complaint.

144. Deny the allegations of Paragraph 144 of the Complaint and state they are conclusions of law to which no response is required.

145. Deny the allegations of Paragraph 145 of the Complaint.

146. Deny the allegations of Paragraph 146 of the Complaint.

147. Deny the allegations of Paragraph 147 of the Complaint.

148. Deny the allegations of Paragraph 148 of the Complaint.

149. In response to the allegations of Paragraph 149 of the Complaint, Defendants repeat and incorporate by reference all of the foregoing paragraphs of the Answer as if fully set forth herein.

150. Deny the allegations of Paragraph 150 of the Complaint.

151. Deny the allegations of Paragraph 151 of the Complaint.

152. Deny the allegations of Paragraph 152 of the Complaint.

153. Deny the allegation of Paragraph 153 of the Complaint.

154. Deny the allegation of Paragraph 154 of the Complaint.

155. Deny the allegation of Paragraph 155 of the Complaint.

156. Deny the allegation of Paragraph 156 of the Complaint.

AFFIRMATIVE DEFENSE

The Complaint fails to state a claim upon which relief may be granted.

WHEREFORE, Defendants pray that this Court enter a judgment:

- (a) dismissing the claims alleged in the Complaint in their entirety with prejudice and denying Plaintiffs any relief;
- (b) awarding Defendants the costs of defending this action, including reasonable attorneys' fees, costs and disbursements; and
- (c) granting Defendants such other and further relief as the Court may deem just and appropriate.

Dated: June 26, 2014

/s/ Andrew Muscato
Andrew Muscato
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OF COUNSEL:
Seth M. Schwartz
Jeremy A. Berman

*Attorneys for Defendants
BlackRock Investment Management, LLC,
BlackRock Advisors, LLC, and
BlackRock International Limited*

CERTIFICATION PURSUANT TO LOCAL CIVIL RULE 11.2

Pursuant to Local Civil Rule 11.2, I hereby certify that the within consolidated action is not the subject of any other action pending in any Court, or of any pending arbitration or administrative proceeding.

Dated: June 26, 2014 _____ /s/ Andrew Muscato
Andrew Muscato
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CERTIFICATE OF SERVICE

I hereby certify that on June 26, 2014, I caused a copy of the Answer and Affirmative Defense on behalf of Defendants BlackRock Investment Management, LLC, BlackRock Advisors, LLC, and BlackRock International Limited to be served electronically via ECF upon the following counsel:

Robert L. Lakind, Esq.
Arnold C. Lakind, Esq.
SZAFERMAN, LAKIND, BLUMSTEIN
& BLADER, P.C.
101 Grovers Mill Road, Suite 200
Lawrenceville, NJ 08648

Attorneys for Plaintiffs
Owen Clancy and Jack Hornstein

Dated: June 26, 2014 _____ /s/ Andrew Muscato
Andrew Muscato